



المركز العربي للأبحاث ودراسة السياسات  
Arab Center for Research & Policy Studies

## **The 8th Gulf Studies Forum - 2021**

- 1. The Gulf Response to Covid-19: Policies and Repercussions**
- 2. The Implications of the 2021 Gulf Reconciliation for International Relations and Regional Policies**

**Background Paper**

The **Eighth Gulf Studies Forum** will be held on 27 - 28 November 2021 to discuss the policies and repercussions of the Gulf states' response to Covid-19 in the domestic issues track and the implications of the 2021 Gulf states' reconciliation for international relations and regional policies in the international relations track.

## Track 1: The Gulf Response to Covid-19: Policies and Repercussions

On 29 January 2020, the Ministry of Health of the United Arab Emirates reported the first recorded Covid-19 infection in the Arab Gulf, afflicting a family of four arriving from Wuhan, China.<sup>(1)</sup> The Bahraini Ministry of Health announced the Gulf's first death from Covid-19 on 16 March 2020, of a 65-year-old Bahraini citizen<sup>(2)</sup>. By the end of March 2021 Arab Gulf states had reported 1,583,806 covid infections (3.17 percent of their total population), with some 12,030 deaths, 1 percent of the Gulf's recorded infections,<sup>(3)</sup> at the time nearly one third of the covid-19 pandemic's global deaths.

As in many countries, in early March 2020 Arab Gulf states adopted strict preventive measures to contain and combat the pandemic: canceling events, limiting movement of persons from countries severely affected by the virus, closing commercial, educational, tourism and religious facilities as well as parks, cafes, restaurants, airports, seaports and land routes and imposing complete or partial curfews, isolating various cities and residential or industrial zones, rationing public and private sector working hours, introducing inspection and examination protocols for sterilization, isolation and quarantine, and taking enormous financial measures to stimulate economies.

In subsequent weeks, Gulf Arab countries, with total energy revenues some 40 percent of GDP (80 percent of government revenues<sup>(4)</sup>), received a massive jolt in a collapse of oil prices (Brent crude decreasing in 2020 from December's \$62 to April's \$21/ barrel) with the global economic paralysis brought on by worldwide adoption of the raft of soon familiar pandemic containment measures: closures of national industry, tourism, and commerce sectors and breakup of the world's transport, travel and logistics links.<sup>(5)</sup> The sluggish global response to the pandemic and an international scramble for vaccines rather than collaboration in a spirit of cooperation together dampened hopes that had been revived by oil prices rising to \$65/barrel in March 2021 and prompting some to anticipate

1 "The UAE announces the registration of the first case of novel coronavirus," Emirates News Agency, 29/1/2020, accessed 4/4/2021: <https://bit.ly/3cND7wp>

2 "The Ministry of Health announces the death of a Bahraini citizen, a case of coronavirus with pre-existing health conditions", Bahrain News Agency, 16/3/2020, accessed 4/2/2021: <https://bit.ly/31LhiqQ>

3 Until the end of March 2021, the UAE ranked first with the highest number of COVID-19 cases in the Arab Gulf states, with 468023 cases, followed by Saudi Arabia with 392009 cases, Kuwait with 234,754 cases, Qatar with 182548 cases, Oman with 160,018 cases, then Bahrain with 146,454 cases. As for the deaths, Saudi Arabia ranks first with 6,690 deaths, Oman with 1,681 deaths, the UAE with 1,504 deaths, Kuwait with 1,327 deaths, Bahrain with 527 deaths, and Qatar with 301 deaths. See: "Reported Cases and Deaths by Country or Territory," Worldometer, accessed 2/4/2021, at: <https://bit.ly/3ukF6hK>

4 Apart from the Emirates. See: Omar Al-Shehabi [and others], *The Constant and Transforming 2014: The Gulf Between Societal Discord and the Interconnection of Money and Power* (Beirut: Forum of Knowledge, 2014), p. 138, accessed 4/2/2021: <https://bit.ly/3rMSyt1>

5 "US oil prices collapsing, closing negatively for the first time in history" Reuters, 20/4/2020, accessed 3/4/2021: <https://bit.ly/3t0rU0Y>

renewed oil price decreases and further contraction of non-oil revenues inside and outside the Arab Gulf countries produced by continuing disruptions across all economic sectors.<sup>(6)</sup> The World Bank's April 2021 report pointed to a 7.7 percent 2020 shrinkage of Arab Gulf states' GDP growth rate.<sup>(7)</sup>

Arab Gulf countries took immediate economic measures to limit the impact of the compound crises of Covid-19 and oil price collapse. In Saudi Arabia, the government imposed unprecedented austerity measures to reduce expenditures. It cancelled government agency operating and capital budget lines and slashed financial allocations for major fiscal year 2020 projects, cut financial benefits of employees and contractors, and increased tax levies.<sup>(8)</sup> The UAE's federal government along with the seven emirates' local ones cut investment spending and administrative expenditure by 20 percent, froze new appointments and suspended existing projects, cancelling new ones.<sup>(9)</sup> The Emir of the State of Qatar Sheikh Tamim bin Hamad Al Thani called for implementation of fundamental reforms to reduce public spending,<sup>(10)</sup> to counteract the impact of oil price fluctuations. In Kuwait, the government took measures to trim development allocations by \$2.3 billion and rescheduled 54 projects, additionally enacting 20 percent budget cuts of ministries and government agencies to rationalize government spending.<sup>(11)</sup> Oman approved a raft of ministerial and government unit budget cuts and undertook to borrow to cover deficits incurred from weak revenues.<sup>(12)</sup> In Bahrain the government took a set of radical measures to reduce government and operating expenditures by 30 percent.<sup>(13)</sup>

To tackle the pandemic, Arab Gulf state governments have taken strict preventive health measures to enhance their health systems' efficiency, with close monitoring of the epidemiological curve in infection rates. Measures encompassed medical examination, isolation and quarantine procedures, and obligating citizens and residents to download smart phone contact tracing applications to enable comprehensive case incidence tracking procedures. Less than a year from the pandemic's outbreak, Arab Gulf states commenced prompt and inclusive Covid -19 vaccination coverage for their citizens and residents: inhabitants of the UAE, Bahrain and Qatar enjoy some of the highest rates of Covid-19 vaccine coverage in the world.<sup>(14)</sup>

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6 Nader Kabbani and Najla Bin Maimon, "Economic Diversification in the Gulf: Time to Reduce Efforts," Report, Brookings Institution, 31/1/2021, accessed 3/4/2021: <https://brook.gs/2OhJAWW>

7 "GCC Economic Update — April 2021," *The World Bank*, 2/4/2021, accessed on 3/4/2021, at: <https://bit.ly/3wrb8un>

8 "Adoption of additional measures to face financial and economic impacts of the novel coronavirus pandemic," Saudi News Agency, 11/5/2020 accessed 4/3/2021: <https://bit.ly/2PvQh8u>

9 Abdul Hadi Al-Ramahi, Youssef Saba and David Barbuchia, "Dubai informs government agencies to cut spending and freeze employment," Reuters, 4/9/2020 accessed 4/3/2021: <https://reut.rs/3ukLJAE>

10 "Speech of His Highness the Emir of the State on the occasion of the blessed month of Ramadan," Government Communication Office, 23/4/2020 accessed 4/3/2021: <https://bit.ly/3mhvTnn>

11 Ahmed Al-Zoubi, "Kuwait: 340 projects canceled due to the Corona pandemic," *Al-Araby Al-Jadeed*, 9/14/2020, accessed 3/4/2021: <https://bit.ly/3cRv1Db>; Ahmad Al-Zoubi, "Kuwait: Rescheduling Development Projects to Control Expenditure," *Al-Araby Al-Jadeed*, 31/1/2021 accessed 3/4/2021: <https://bit.ly/3fAsWgx>

12 "Oman is tightening up again in the face of Corona and the oil drop," *Al-Araby Al-Jadeed*, 13/5/2020 accessed 3/4/2021: <https://bit.ly/31Gvdyw>

13 Assem Al-Baini, "Attention will remain on how to deal with the financial balance program," *Firsily*, 17/5/2020, accessed 3/4/2021: <https://bit.ly/3emhml1>

14 "Tracking Coronavirus Vaccinations Around the World," *The New York Times*, 3/4/2021, accessed 3/4/2021: <https://nyti.ms/2PRQ5QT>

The Gulf Studies Forum has chosen to study the Gulf response to the Covid -19 pandemic in view of the consequential *currentness* of the associated policies and their implications in local, regional and international political and economic contexts.

The Forum will address this compelling topic along three major themes:

- Gulf *sectoral responses* to COVID-19 as seen in health, education, employment, national security (roles of police and army), aviation, construction, real estate, contracting, tourism, foreign investment, oil and gas, as well as the non-oil commercial sector. What challenges have countries of the Arab Gulf confronted in these sectors?
- Gulf *individual country responses* to the COVID-19 pandemic: How have each of Saudi Arabia, the United Arab Emirates, Qatar, Bahrain, Kuwait, and Oman responded in comparison with each other and with other countries? For what reasons (and to what extent) did their responses succeed or fail?
- Gulf *post-pandemic economic diversification prospects*: Has Covid-19 forced reviews of rentier economies in the Gulf? Can economic diversification be seriously considered? Has the pandemic imposed a need to rethink expatriate and migrant worker issues and rights, employment and human resources nationalization/jobs localization, consumerism, domestic security support, and food and drug security?

## Track 2: Implications of the 2021 Gulf Reconciliation for International Relations and Regional Policies

The 5 January 2021 41st Gulf Summit in the Saudi Arabian city of Al-Ula ended the land, air and sea blockade of Qatar that had lasted three and a half years, a crisis that began with the arrival of US President Donald Trump to power in early 2017 and ended with his departure from the White House after losing the November 2020 elections.

While it is widely acknowledged that Al-Ula Summit's communique adopted by the Gulf Cooperation Council's leadership (along with that of Egypt) does indeed mark a turning point for the Gulf crisis, diverse stakeholders are continuing work to rid Arab Gulf states and societies of their political, economic, and social residues. That said, the lion's share of attention is accorded to understanding the impact of the reconciliation on the GCC countries' *foreign* policies and their stands on pressing regional and international issues. Disagreements on such issues was clearly a contributor to the eruption of the Gulf crisis, with differences encompassing the Arab Spring revolutions, Islamic movements, Palestine, regional non-Arab relations (with Iran, Turkey, and Israel), Arab catastrophes in Yemen, Libya and Syria, and emerging (or on-going) catastrophes in the Horn of Africa, Eastern Mediterranean and the Red Sea - among other areas of contention in very chaotic world.<sup>(15)</sup>

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15 Elham Fakhro, "Solving the Gulf Crisis Outside the Gulf," International Crisis Group, 1/26/2021, accessed 5/4/2021: <https://bit.ly/3rO8wDi>

The Qatar blockade crisis also brought home the decreasing level of United States commitment to Gulf security - beyond the confines of her struggle against other great powers for supremacy - notwithstanding a continued US eye on the region lest her rivals seek to wield control over its oil resources and supply lines. The tepid American reaction to the September 2019 strike against Saudi oil facilities in Abqaiq and Khurais (shutting down one-half of Saudi oil production) is a testament to the radical transformation underway in Washington's commitments.

In so far as US President Joe Biden's administration is seeking to alleviate Saudi-Iranian tensions through attempting to halt the war in Yemen and revive the nuclear agreement with Iran, it may be essentially to devote Washington's full attention to the challenge posed by China. The diminished US interest and refusal to intervene in the Gulf (save should US strategic interests face a clear and present danger) can be expected to fuel regional contention among Iran, Turkey, Israel and Saudi Arabia. Given the last decade of Russia, China and India's increased interest in the Gulf and West Asia, these will likely strive for a foothold in the region - particularly the latter two countries, in view of their dependency on Gulf energy sources.

The United States has historically built its relationship to the Gulf region based on "oil for security". The days throughout the Cold War when America was the world's engine of growth and largest oil importer are over - now that she has become the largest energy producer in the world, thanks to the technology of shale oil and gas production. The Gulf too has seen drastic changes, with 90% of its oil and gas production going to East Asia (now the drivers of global growth<sup>(16)</sup>) and emerging markets instead of sailing westwards. The change in the global energy production and consumption map has not brought about by a change in the Gulf states' reliance on the United States for protection, even if the Gulf has pivoted towards Asia to fulfil its economic needs. Indeed, the role of former President Donald Trump's administration in and during the Gulf crisis reflected the geo-economic change in the nature of the relationship that links Washington with the Gulf region. Previously it would not have been possible for the United States to allow such a crisis to occur between its Gulf proteges and undermining a region it depended upon for its consumption of energy - it would have prioritized securing the supply lines and stability of the Gulf's producers.

Such changes underline the region's urgent need for the construction of a collective regional security system that establishes mechanisms for the peaceful resolution of interregional disputes, possibly along the lines of the Organization for Security and Cooperation in Europe (OSCE). The question then is: did the 2021 Gulf reconciliation generate the *mutual trust* required for a *collective and shared vision of the Gulf region's security*, or rather, has the recent concluded crisis simply added *a crisis of confidence on top of a litany of preceding disputes*?

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16 "Factbox-Asia is Region Most Dependent on Middle East Crude Oil, LNG Supplies," *Reuters*, 8/1/2020, accessed 19/10/2020: <https://bit.ly/20IiIVP>

In view of the import of the 2021 Gulf reconciliation for GCC states and their regional and international relations, as well as for the future of the Gulf Cooperation Council itself, the Eighth Gulf Studies Forum addresses the following tracks of inquiry:

- Implications of Gulf reconciliation on the relationship between the Gulf states and Iran.
- Implications of Gulf reconciliation on the relationship between the Gulf states and Turkey.
- Implications of Gulf reconciliation on the conflict in Yemen.
- Implications of Gulf reconciliation on the conflict in Libya.
- Implications of Gulf reconciliation on the Syrian crisis.
- Implications of Gulf reconciliation on the policies of normalization with Israel.
- Implications of Gulf reconciliation for conflicts in Sudan, Somalia and the Red Sea.
- Implications of Gulf reconciliation for international competition in the Gulf region.
- Implications of Gulf reconciliation for construction of a regional collective security regime.

## Procedures

**The Gulf Studies Forum** invites academics and researchers from the Gulf, Arab world and beyond to prepare and submit studies on *one* of the above two tracks of research topics.

**Research paper abstracts** should be submitted *no later than 15 May 2021*; abstracts must clearly define the problem researched, its importance and originality. Along with the research proposal, prospective Forum participants must submit a current academic CV and updated list of papers published on topics of relevance to this year's Forum. Submitted abstracts are subject to evaluation by specialist academic committees; an abstract's approval does not automatically entail acceptance of the completed study should the concerned committee withhold approval of the full study after its completion and submission.

Following approval of proposals by the conference organizing committee, research papers (6000-7000 words including footnotes and references) are to be submitted *by 15 September 2021*. Papers may be written in Arabic or English. The Gulf Studies Forum encourages *field work* as the basis for research papers. Forum committees apprise scholars of acceptance of their proposals and of suggestions for improvements/amendments.

Kindly direct submissions and correspondence to: [gulf.forum@dohainstitute.org](mailto:gulf.forum@dohainstitute.org)